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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Ex Parte 1995 Annual Access Tariff GTE Telephone Operating Companies.
CC Docket No. 96-5, Transmittal Nos. 963 and 146

Dear Mr. Caton,

AT&T respectfully submits Revised Attachments B and C and Revised Attachments B-1 and C-1 to its comments on GTE's Direct Case in this proceeding, in response to GTE's Rebuttal Comments.

In GTE's Rebuttal Comments (pp. 3-4), GTE indicated that AT&T used (1) out-of-date end user common line ("EUCL") quantities instead of the quantities submitted in GTE's July 27, 1995 compliance filing,¹ and (2) incorrect common line ("CL") volumes related to the sale of exchanges in Oklahoma. In this letter, AT&T submits revised calculations that address both of GTE's concerns. As explained below, even when using GTE's numbers, it appears that GTE used erroneous data to calculate the exogenous costs for the sale of exchanges in Oklahoma. Consequently, the net revenues and exogenous cost calculations for those exchanges are apparently materially misstated.

AT&T demonstrated in its comments (Attachment B, Column C) that the number of EUCLs for the sold Oklahoma exchanges is approximately 40 percent of the total end user common lines. Performing the same analysis on the updated EUCL quantities yields

¹ See GTE's Rebuttal, referencing GTE Transmittal No. 983, filed July 27, 1995.

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nearly the same result. For example, AT&T calculated the Multiline Business EUCL to be 41.15% in its comments, while that figure becomes 38.65% when the updated EUCL quantities are used.² In a like manner, there is a minor change in AT&T's recalculation of exogenous costs for illustrative purposes. The exogenous costs increase by only 4.4%, from (\$689,620) to (\$650,551).³ Thus, AT&T's conclusion in its Comments -- that GTE apparently misstated the net revenues and exogenous costs for the sold Oklahoma exchanges -- is not affected by these relatively insignificant revisions.

GTE also states (p. 4) that AT&T used erroneous data in its calculations, because "the quantities represented in Attachment B, Column A exclude the sold exchange quantities." At the time its comments were filed, AT&T was not able to discern from GTE's previously filed data whether total interstate CL volumes included the sold exchanges quantities. Therefore, to address GTE's concern, AT&T recalculated these volumes to reflect the quantities of the sold exchanges in the total interstate CL volumes. This caused an increase in the Total Interstate amounts (Column A) by the volumes of sold exchanges (Column B).⁴ When these revised quantities are used, the percentage of sold exchanges is reduced from approximately 40% to 25%.⁵ Accordingly, the exogenous costs calculated in Revised Attachment C-1, line 12, are increased by approximately \$160,000 (25%) over the exogenous costs calculated in Revised Attachment C. However, even with this increase, the exogenous costs would still be \$1,162,293 lower than what was reported by GTE in its Direct Case. Again, the use of GTE's numbers does not affect AT&T's conclusion in its comments that GTE apparently misstated the net revenues and exogenous costs for the sold Oklahoma exchanges.

Respectfully submitted,

Brian W. Masterson

Attachment

cc: D. Abeyta
J. Scott
G. L. Polivy (GTE)

² See Attachment B, Column C and Revised Attachment B, Column C, respectively.

³ Compare Attachment C, Column D, line 12 to Revised Attachment C, Column D, line 12.

⁴ See Revised Attachments B-1 and C-1

⁵ Compare Revised Attachment B, Column C and Revised Attachment B-1, Column C.

REVISED ATTACHMENT B

**COMPARISON OF COMMON LINE VOLUMES
FOR GTE OKLAHOMA (GTOK) COMMON LINE CATEGORY
FOR TOTAL INTERSTATE AND SOLD RURAL EXCHANGES**

	Rate Element	Total Interstate* (A)	For Sold Exchanges ** (B)	% of Sold Exchanges C=(B/A)
1	Multiline Business EUCL	188,292	72,780	38.65%
2	Res & Single Line Bus EUCL	963,048	333,384	34.62%
3	Lifeline EUCL	0	0	N/A
4	Special Access Surcharge	0	0	N/A
5	Terminating CCL Prem.	134,655,638	11,370,524	8.44%
6	Terminating CCL Non-Prem.	5,415,890	3,974,405	73.38%
7	Originating CCL Prem.	105,499,208	10,960,377	10.39%
8	Originating CCL Non-Prem.	1,519,490	1,645,354	108.28%

* Total Interstate Base Period Volumes as reported in GTOK 1995 TRP

** Volumes for Sold Exchanges as reported in GTE's Direct Case Exhibit 1, Page 7 of 9.

REVISED ATTACHMENT B-1

**COMPARISON OF COMMON LINE VOLUMES
FOR GTE OKLAHOMA (GTOK) COMMON LINE CATEGORY
FOR TOTAL INTERSTATE AND SOLD RURAL EXCHANGES**

	Rate Element	Total Interstate* (A)	For Sold Exchanges ** (B)	% of Sold Exchanges C=(B/A)
1	Multiline Business EUCL	261,072	72,780	27.88%
2	Res & Single Line Bus EUCL	1,296,432	333,384	25.72%
3	Lifeline EUCL	0	0	N/A
4	Special Access Surcharge	0	0	N/A
5	Terminating CCL Prem.	146,026,162	11,370,524	7.79%
6	Terminating CCL Non-Prem.	9,390,295	3,974,405	42.32%
7	Originating CCL Prem.	116,459,585	10,960,377	9.41%
8	Originating CCL Non-Prem.	3,164,844	1,645,354	51.99%

* Total Interstate Base Period Volumes as reported in GTOK 1995 TRP
plus volumes for Sold Exchanges.

** Volumes for Sold Exchanges as reported in GTE's Direct Case Exhibit 1, Page 7 of 9.

REVISED ATTACHMENT C

**RECALCULATION OF NET REVENUES AND EXOGENOUS COSTS
FOR ILLUSTRATIVE PURPOSES
FOR GTE OKLAHOMA (GTOK) COMMON LINE CATEGORY
[US WEST METHOD]**

		Base Period Demand		Base Period Rates C	Base Period Revenues D=C*B
	Rate Element	Total Interstate * (A)	For Sold Exchanges B=A*.08		
1	Multiline Business EUCL	188,292	15,063	\$6.00	90,380
2	Res & Single Line Bus EUCL	963,048	77,044	\$3.50	269,653
3	Lifeline EUCL	0	0	N/A	N/A
4	Special Access Surcharge	0	0	N/A	N/A
5	Terminating CCL Prem.	134,655,638	10,772,451	0.02156100	232,265
6	Terminating CCL Non-Prem.	5,415,890	433,271	0.00970250	4,204
7	Originating CCL Prem.	105,499,208	8,439,937	0.01000000	84,399
8	Originating CCL Non-Prem.	1,519,490	121,559	0.00450000	547
9	Total: Net Revenues				681,449
11	Net Revenue Requirement [GTE Direct Case, Exhibit 4, Page 9 of 9]				1,332,000
12	Exogenous Cost [Line 9 - Line 11]				(650,551)

* As reported in GTOK's 1995 Annual Filing TRP.

REVISED ATTACHMENT C-1

**RECALCULATION OF NET REVENUES AND EXOGENOUS COSTS
FOR ILLUSTRATIVE PURPOSES
FOR GTE OKLAHOMA (GTOK) COMMON LINE CATEGORY
[US WEST METHOD]**

		Base Period Demand		Base Period Rates C	Base Period Revenues D=C*B
	Rate Element	Total Interstate * (A)	For Sold Exchanges B=A*.08		
1	Multiline Business EUCL	261,072	20,886	\$6.00	125,315
2	Res & Single Line Bus EUCL	1,296,432	103,715	\$3.50	363,001
3	Lifeline EUCL	0	0	N/A	N/A
4	Special Access Surcharge	0	0	N/A	N/A
5	Terminating CCL Prem.	146,026,162	11,682,093	0.02156100	251,878
6	Terminating CCL Non-Prem.	9,390,295	751,224	0.00970250	7,289
7	Originating CCL Prem.	116,459,585	9,316,767	0.01000000	93,168
8	Originating CCL Non-Prem.	3,164,844	253,188	0.00450000	1,139
9	Total: Net Revenues				841,789
11	Net Revenue Requirement [GTE Direct Case, Exhibit 4, Page 9 of 9]				1,332,000
12	Exogenous Cost [Line 9 - Line 11]				(490,211)

* As reported in GTOK's 1995 Annual Filing TRP plus volumes for Sold Exchanges.